

Public Interest Energy Research (PIER) Program

Instructions and Procedures for Submitting Proposals for Sole Source and Single Source Awards

I. Introduction

The PIER Program periodically issues competitive solicitations that reflect the programmatic objectives and Commission policies for each of six specific energy research program areas. Proposals for funding submitted to the PIER program area competitive solicitations are governed by the procedures, terms and conditions listed in those solicitations. Information on PIER program area competitive solicitations is located at www.energy.ca.gov/pier/funding.html. In addition, the PIER Program maintains the competitive Energy Innovations Small Grant Program (EISGP). The EISGP solicitation procedures are located at www.energy.ca.gov/pier/index.html#eisg.

These instructions and procedures apply to proposals to PIER that are neither in response to PIER competitive solicitations nor from the EISGP, but that have been **authorized** by the PIER Program Manager or a program area lead for submittal for possible sole source or single source PIER funding. **The procedures are available at www.energy.ca.gov/contracts/pier_ole_single_source.html. In order to focus available resources to the implementation of the program area plans, proposals for PIER funding that are neither in response to a competitive solicitation nor are authorized as specified in these procedures will be returned to the applicant, together with a letter of explanation and a copy of these procedures.**

Sole source awards are made as follows: A single entity proposes on its own initiative or at the initiative of PIER staff to deliver specified work. Staff may work with the entity to refine the proposal until a proposal suitable for final submission has been prepared. Single source awards are made as follows: At least two entities contacted by staff may propose to deliver specified work. Staff may work with one or more of the entities to refine the proposal(s) until a single proposal suitable for submission by one of the entities has been prepared.

The awards that may be processed according to these procedures are awarded as contracts or grants without competitive bidding or competitive negotiation. Sole source awards may be made as provided in the Public Resources Code sections 25620.5(f and g). Single source may be made as provided in the Public Resources Code section 25620.5(e). These types of awards may be made to both public and private entities. The specific processes for each type of proposal and award begin in Section II of these Procedures.

The six PIER energy research program areas are each managed by a program area lead reporting to the PIER Program Manager.

- Residential and Commercial Buildings End-Use Efficiency
www.energy.ca.gov/pier/buildings/index.html
- Industrial/Agricultural/Water End-Use Efficiency
www.energy.ca.gov/pier/indust/index.html
- Renewable Energy Technologies
www.energy.ca.gov/pier/renew/index.html
- Environmentally-Preferred Advanced Generation
www.energy.ca.gov/pier/epag/index.html
- Energy-Related Environmental Research
www.energy.ca.gov/pier/energy/index.html
- Energy Systems Integration
www.energy.ca.gov/pier/strat/index.html

Sole and single source awards may take various forms, including but not limited to the following:

- Type of project:
 - Services supporting the PIER Program, including program planning and administration
 - Research, development, demonstration
 - Paper study
 - Membership
 - Sponsorship
- Organization of work:
 - Single party project or program
 - Multiparty project or program
 - Program consisting of a group of projects
 - Leveraged, collaborative and consortia agreements
- Type of agreement:
 - Contract
 - Grant

II. Applicability, Authorization and Blackouts

The following types of proposals for contract and grant awards are covered by these procedures:

1. **Authorized, applicant-initiated sole source proposals**

The PIER program area leads may authorize **applicant-initiated** sole source proposals. A party wishing to obtain authorization to submit or to resubmit a proposal for a sole source award must first contact the program area lead responsible for the research program area of interest to determine if the proposal will be considered for authorization. If authorized, the applicant submits the proposal to the authorizing person. The authorizing person will verify that the proposal is as represented when the authorization was granted. If, in the judgment of the authorizing person, the proposal is not as represented when the authorization was granted, then the proposal will be returned as unauthorized.

Authorized, applicant-initiated proposals, other than proposals for memberships and sponsorships, are subject to blackout periods. In the following, a “blackout” is a period specific to a program area when applicant-initiated proposals will not be accepted for consideration. The program area lead will return an authorized proposal subject to a blackout period, together with a letter of explanation and a copy of these procedures.

After obtaining a new authorization, an applicant may resubmit an applicant-initiated proposal at the conclusion of a blackout.

a. Automatic Blackout Periods for Applicant-Initiated Sole Source Proposals

The automatic blackout period applies if the proposal would be eligible for (or appropriate for, covered by, or fall under) a competitive solicitation that:

- Is either planned to be released within two months of the date of receipt of the proposal, or
- Was released within the preceding six months.

Exemption to the Automatic Blackout: The PIER Program Manager may exempt a program area from some portion or all of its automatic blackout period for special circumstances. The exemption must be publicized by posting it on the Commission's web site for PIER at least 10 business days before the operative date that initiates the automatic blackout.

b. Declared Blackout Periods for Applicant-Initiated Sole Source Proposals

Each program area lead may designate a declared blackout period for specified types of applicant-initiated proposals. The program area lead must obtain approval from the PIER Program Manager before establishing a declared blackout period. The declared blackout must be publicized by posting it on the Commission's web site for PIER at least 10 business days before the operative date that initiates the declared blackout. The posting must identify the type(s) and source(s) of proposals affected by the blackout.

2. **Authorized, Commission staff-initiated sole source proposals**

The PIER Program Manager or program area leads may authorize **staff-initiated** sole source proposals. When this happens, staff contacts **one** source of expertise and provides that potential applicant with information related to the type of work being sought. This information may include a description of the required products, necessary qualifications, required schedule and estimated budget. Staff works with the applicant to prepare and refine the draft proposal until a document that satisfies the Factors for Consideration (Appendix) and is suitable for final submission is completed. At that point, the applicant submits the final proposal.

A proposal that does not reach sufficient refinement will be deemed unauthorized.

3. **Authorized, Commission staff-initiated single source proposals**

The PIER Program Manager or program area leads may authorize single source proposals that are initiated by staff. When this happens, staff contacts **at least two** sources of expertise and provides them with the same information related to the type of work being sought. This information may include a description of the required products, necessary qualifications, required schedule, estimated budget and a deadline for submitting a short proposal (length as specified by staff). Interested applicants submit their draft proposals to the initiating staff contact. Staff evaluates the draft proposals and selects one. Staff works with this applicant to refine their draft proposal until a document that satisfies the Factors for Consideration (Appendix) and is completed. At that point, the applicant submits the final proposal.

A proposal that does not reach sufficient refinement will be deemed unauthorized.

4. **Unauthorized Proposals**

Proposals that are submitted to the Commission without prior authorization as provided above are unauthorized proposals. **Unauthorized proposals will be returned to the applicant by the program area lead without evaluation, along with a letter of explanation and a copy of these procedures.**

Each person authorizing a proposal will provide the applicant with the relevant PIER terms and conditions.

III. **Format, Content and Submittal of Authorized Proposals**

1. Proposals for sole source and single source awards must identify the authorizing member of the PIER program (the PIER Program Manager or a program area lead) and must contain the information listed below. The governing regulations (Title 20, California Code of Regulations, section 2103) provide that the Commission may reject a proposal if it is not in an appropriate format. There are three basic formats, depending on the nature of the tasks to be evaluated for a potential award.

- a. Format for delivery of specified RD&D products within specified schedules and budgets. Topics include:
- Name and contact information
 - Scientific and technological baseline
 - Problem statement
 - Project goals and objectives
 - Technical approach and probability of success
 - Market-connected benefits of successful completion of the project
 - Work statement and deliverables, due dates and Gantt chart
 - Project costs, PIER funding request, match funding, the need for PIER funding and project budget forms
 - Company and individual skill and experience, accompanied by resumes
 - Concurrence with the relevant PIER terms and conditions used in the most recently released and applicable PIER solicitation or grant document (www.energy.ca.gov/contracts/index.html)
- b. Format for provision of expertise for any or all of the planning, implementing, administering and supporting of the PIER program. Topics include:
- Name and contact information
 - Description of the service(s) to be provided
 - Skill and experience – company, and individual(s) accompanied by resumes
 - Hourly rates for each expertise
- c. Format for memberships. Topics include:
- Name and contact information
 - Identification of organization, including its purpose and type of membership
 - Purpose of membership for the Commission
 - Description of activities, objectives and deliverables
 - Privileges and obligations of Commission membership
 - Membership terms and conditions

- Membership fees and other costs, if any
2. Each of the formats or a combination thereof may be adapted to special conditions, for example, (1) projects such as paper studies and sponsorships, and (2) entities performing the work, such as collaboratives and consortia. Applicants wishing to modify or combine these formats must first obtain approval from the PIER Agreement Package Preparation Team at sparkey@energy.state.ca.us.
 3. Authorized proposals shall be addressed as follows:

<Name of authorizing PIER program area lead or PIER
Program Manager>, MS 43
California Energy Commission
1516 – 9th Street
Sacramento, CA 95814

Proposals may also be sent electronically to the authorizing PIER program area lead or PIER Program Manager, as applicable.
 4. The authorizing person receiving the proposal will verify that the proposal has been authorized and is not subject to a blackout period, and will enter identification and tracking information in the PIER Project Information Management System (PIMS).
 5. The program area lead will review the proposal for completeness and compliance with the format requirements of this section.
 - a. If the proposal passes this initial review, the lead initiates the remainder of these procedures.
 - b. If the proposal does not pass this initial review, the lead will send the applicant a letter explaining why the proposal is being returned. After obtaining a new authorization, the applicant may resubmit a complete proposal with revised format to the authorizing program area lead. Re-submittal cycles may be repeated, but only at the discretion of the authorizing person.

IV. PIER Program Manager Screening of Sole and Single Source Proposals

At any point in these procedures, the PIER Program Manager may screen a proposal. A proposal that has been rejected as a result of screening by the PIER Program Manager will be returned to the applicant by a PIER program area lead, along with a letter of explanation, and the lead will update the PIMS database.

V. Processing Authorized Proposals

The Commission will follow the procedures outlined below for authorized proposals. Steps can occur simultaneously, if needed. If a proposal is rejected in any of the following

steps, the authorizing person will update the PIMS database and will send a letter to the applicant providing the reasons for rejection, and enclose the original of the proposal.

1. PIER staff evaluate the proposal. When a proposal is evaluated, the evaluation will consider, as appropriate, but not be limited to the “Factors for Consideration” (see Appendix). In making this evaluation, the reviewer(s) may consult with outside experts, if needed, and may interview the applicant. **Step 1 does not apply to staff-initiated proposals.**
2. If the result of the evaluation in Step 1 is rejection, the program area lead will first notify the PIER Program Manager of the recommendation. The PIER Program Manager may concur with the recommendation for rejection or seek concurrence from the RD&D Committee. The RD&D Committee may confirm the rejection. **Step 2 does not apply to staff-initiated proposals.**
3. The program area lead briefs the Program Manager on the proposal and seeks concurrence to proceed with a possible agreement.
4. If the Program Manager concurs, the program area lead notifies the applicant and schedules the preparation of a package with the PIER Agreement Package Preparation Team and provides any supplementary information needed to complete the proposed agreement. The Team determines which of the remaining steps apply to each proposed agreement and maintains information and tracking data in the PIMS database.

Subsequent steps of the procedure depend on the origin of the proposal and on whether the agreement will be a contract or a grant. Sections that apply only to contracts are identified at the end of each step. All other steps apply to both types of agreements.

- Private entities: non-profit organizations, sole proprietors, consortiums, memberships in non-governmental organizations. **All steps apply for sole source. Steps 8, 9 and 10 do not apply for single source proposals.**
 - Government agencies other than California state agencies (i.e., federal - including the U.S. Department of Energy, local, city, and county), memberships in governmental associations or research organizations. **Steps 8, 9 and 10 do not apply.**
 - State agencies in California, including the University of California and California state universities. **Steps 8, 9 and 10 do not apply.**
5. The Contracts Office, in consultation with PIER staff, determines whether state requirements such as the Disabled Veterans Business Enterprise (DVBE) apply to the proposed sole or single source agreement. If appropriate, PIER staff prepares the Sole/Single Source and DVBE Exemption Request that the Contracts Office then reviews and forwards to the Executive Director for approval. If the exemption is not appropriate, the Contracts Office sends the applicant the forms and information necessary to fulfill the applicable state requirements. The applicant

completes the forms and returns them to the Contracts Office. The DVBE requirements must be met before an agreement can be processed. (Contracts only)

6. The program area lead briefs the RD&D Committee on the project and asks for their decision to approve proceeding with a possible agreement. In making its decision, the RD&D Committee will take into account the “Factors for Consideration” (see Appendix).
7. The PIER Agreement Package Preparation Team works with the program area lead and the applicant to complete the remaining necessary documentation for processing the agreement and submits a request package to the Contracts or Grants Office. The agenda package for the Business Meeting must include for Commission consideration the determinations and findings required by Title 20, California Code of Regulations, section 2100 for sole source agreements, and 2101 for single source awards
8. For sole source contracts, the Contracts Office consults with the Department of General Services (DGS) regarding the criteria outlined in Public Resources Code Section 25620.5(f). (Contracts only)
9. For sole source agreements, the Contracts or Grants Office notifies the Joint Legislative Budget Committee in writing at least 30 days prior to the anticipated award.
10. For sole source agreements, the Joint Legislative Budget Committee either approves or does not disapprove the agreement within 30 days from the notification. If the Joint Legislative Budget Committee disapproves the agreement, the Contracts or Grants Office notifies the applicant. (Public Resources Code Section 25620.5(g)). If the agreement is rejected, the Contracts or Grants Office will work to change or alleviate the reason that the agreement was rejected, and will resubmit it to Joint Legislative Budget Committee for approval. If necessary, the program area lead and the PIER Agreement Package Preparation Team will be asked to assist. If the issues cannot be resolved, the program area lead will send a letter of rejection to the applicant, copying the Contracts or Grants Office and updating PIMS.
11. The Contracts or Grants Office prepares the agreement documents and sends them to the applicant for signature.
12. The applicant signs the agreement, ideally before the Business Meeting. The PIER Program Manager may pull the proposed agreement from the Business Meeting if it has not been signed.
13. The Commission votes on the award at a Commission Business Meeting.
14. The Commission signs the agreement.
15. The Commission submits contracts over \$75,000 to the Department of General Services (DGS) for its approval. (Contracts only)

16. DGS approves or rejects the contract. If the contract is rejected, the Contracts Office will work to change or alleviate the reason that DGS rejected the contract, and will resubmit it to DGS for approval. If necessary, the program area lead and the PIER Agreement Package Preparation Team will be asked to assist. If the issues cannot be resolved, the program area lead will send a letter of rejection to the applicant, copying the Contracts Office and updating PIMS. (Contracts only)
17. The Contracts or Grants Office sends the executed agreement to the applicant with copies to appropriate Commission personnel.

VI. Existing Proposals

All sole source and single source proposals that were received prior to the date of Commission adoption of these procedures will be processed according to the procedures adopted by the Commission on November 3, 1999. All sole source and single source proposals that are received on or after the date of Commission adoption of these procedures will be processed according to these procedures.

Appendix

Factors for Consideration:¹

- a. Does the proposal advance energy science or technology and provide benefits to California citizens?
- b. Is the proposed technology not adequately addressed by competitive and regulated markets?
- c. Does the proposal address at least one issue or goal specified in the most recent PIER Program area plan, appropriate subject area plan or Strategic Plan?
- d. Is the technological approach, analysis or process used substantially the same as another agreement already funded under the PIER Program?
- e. Is the proposal substantially the same as a proposal previously submitted to the Commission and rejected on the basis of technical issues or administrative requirements?
- f. Was the proposal received within the timeframe directly before the anticipated publication date for a future PIER solicitation for which the proposed is eligible?
- g. Was the proposal received within the timeframe directly after the release date of a past PIER solicitation for which the proposal was eligible?
- h. What is the cost of the proposed project?
- i. What is the level of public and private benefits compared to proposal costs to be funded by the PIER program and by match funds?
- j. What is the overall technical quality and merit of the proposal?
- k. What are the qualifications of the project team?
- l. What is the likelihood of and timeframe for success of the proposal?
- m. What are the technical, market and financial risks of the proposal?
- n. Is the proposal consistent with the energy policies of the State of California?

¹Based on Title 20, Division 2, California Code of regulations, section 2102 (sole and single source contract PIER regulations).